

Lantos	Oberstar	Skaggs
Latham	Obey	Skeen
LaTourette	Oliver	Skelton
Lazio	Ortiz	Slaughter
Leach	Orton	Smith (MI)
Lewis (CA)	Owens	Smith (NJ)
Lewis (KY)	Oxley	Smith (TX)
Lightfoot	Packard	Souder
Lincoln	Pallone	Spratt
Linder	Parker	Stearns
Lipinski	Pastor	Stenholm
LoBiondo	Paxon	Stockman
Lofgren	Payne (NJ)	Studds
Longley	Payne (VA)	Stump
Lowey	Pelosi	Stupak
Lucas	Peterson (MN)	Talent
Luther	Petri	Tanner
Maloney	Pomeroy	Tate
Manton	Porter	Tauzin
Manzullo	Portman	Taylor (NC)
Markey	Poshard	Tejeda
Martinez	Quillen	Thomas
Martini	Quinn	Thornberry
Mascara	Radanovich	Thornton
Matsui	Rahall	Thurman
McCarthy	Ramstad	Tiahrt
McCollum	Rangel	Torkildsen
McDade	Reed	Torres
McDermott	Regula	Torricelli
McHale	Reynolds	Towns
McInnis	Rivers	Trafficant
McIntosh	Roberts	Upton
McKeon	Roemer	Velazquez
Meek	Rogers	Visclosky
Metcalf	Rohrabacher	Vucanovich
Meyers	Ros-Lehtinen	Waldholtz
Mfume	Rose	Walker
Mica	Roth	Walsh
Miller (FL)	Roukema	Wamp
Mineta	Roybal-Allard	Ward
Minge	Royce	Watt (NC)
Mink	Salmon	Watts (OK)
Moakley	Sanders	Waxman
Molinari	Sanford	Weldon (PA)
Mollohan	Sawyer	Weller
Montgomery	Saxton	White
Moorhead	Scarborough	Whitfield
Morella	Schaefer	Wicker
Murtha	Schiff	Williams
Myers	Schumer	Wilson
Myrick	Scott	Wolf
Nadler	Seastrand	Woolsey
Neal	Sensenbrenner	Wyden
Nethercutt	Serrano	Wynn
Neumann	Shadegg	Yates
Ney	Shaw	Young (FL)
Norwood	Shuster	Zeliff
Nussle	Sisisky	Zimmer

NAYS—37

Brown (CA)	Hastings (FL)	Pombo
Clayton	Hefley	Rush
Costello	Hilliard	Sabo
Crane	Jacobs	Schroeder
DeFazio	Kennedy (MA)	Shays
Durbin	Levin	Stark
Engel	Lewis (GA)	Taylor (MS)
Fazio	McKinney	Thompson
Filner	McNulty	Vento
Gephardt	Menendez	Volkmer
Gibbons	Miller (CA)	Waters
Gillmor	Peterson (FL)	
Green	Pickett	

ANSWERED "PRESENT"—1

Harman

NOT VOTING—36

Abercrombie	Fields (TX)	Moran
Arney	Gunderson	Pryce
Berman	Gutierrez	Richardson
Bono	Hinchey	Riggs
Brownback	Istook	Smith (WA)
Chapman	Klecza	Solomon
Clay	Largent	Spence
Coburn	Laughlin	Stokes
de la Garza	Livingston	Tucker
Dingell	McCrery	Weldon (FL)
Ensign	McHugh	Wise
Fattah	Meehan	Young (AK)

□ 1035

So the Journal was approved.

The result of the vote was announced as above recorded.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

The SPEAKER pro tempore (Mr. WATTS of Oklahoma). Pursuant to House Resolution 149 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 67.

□ 1035

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, with Mr. SENSENBRENNER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 17, 1995, all time for general debate had expired.

Pursuant to the rule, the amendment printed in House Report 104-125 is adopted and the concurrent resolution, as amended, is considered read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 67, as amended by House Resolution 149, is as follows:

H. CON. RES. 67

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: \$1,057,500,000,000.

Fiscal year 1997: \$1,058,500,000,000.

Fiscal year 1998: \$1,099,600,000,000.

Fiscal year 1999: \$1,138,700,000,000.

Fiscal year 2000: \$1,189,300,000,000.

Fiscal year 2001: \$1,247,200,000,000.

Fiscal year 2002: \$1,316,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1996: \$14,987,000,000.

Fiscal year 1997: —\$24,393,000,000.

Fiscal year 1998: —\$34,772,000,000.

Fiscal year 1999: —\$48,354,000,000.

Fiscal year 2000: —\$58,836,000,000.

Fiscal year 2001: —\$69,275,000,000.

Fiscal year 2002: —\$71,859,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: \$103,815,000,000.

Fiscal year 1997: \$108,986,000,000.

Fiscal year 1998: \$114,877,000,000.

Fiscal year 1999: \$120,698,000,000.

Fiscal year 2000: \$126,893,000,000.

Fiscal year 2001: \$133,590,000,000.

Fiscal year 2002: \$140,425,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1996: \$1,285,900,000,000.

Fiscal year 1997: \$1,321,900,000,000.

Fiscal year 1998: \$1,355,800,000,000.

Fiscal year 1999: \$1,388,800,000,000.

Fiscal year 2000: \$1,421,800,000,000.

Fiscal year 2001: \$1,436,000,000,000.

Fiscal year 2002: \$1,459,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1996: \$1,287,000,000,000.

Fiscal year 1997: \$1,313,900,000,000.

Fiscal year 1998: \$1,326,800,000,000.

Fiscal year 1999: \$1,363,500,000,000.

Fiscal year 2000: \$1,400,800,000,000.

Fiscal year 2001: \$1,414,200,000,000.

Fiscal year 2002: \$1,457,300,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1996: —\$229,500,000,000.

Fiscal year 1997: —\$255,400,000,000.

Fiscal year 1998: —\$227,200,000,000.

Fiscal year 1999: —\$234,800,000,000.

Fiscal year 2000: —\$211,500,000,000.

Fiscal year 2001: —\$167,000,000,000.

Fiscal year 2002: —\$120,700,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1996: \$5,195,000,000,000.

Fiscal year 1997: \$5,516,100,000,000.

Fiscal year 1998: \$5,809,800,000,000.

Fiscal year 1999: \$6,099,700,000,000.

Fiscal year 2000: \$6,374,300,000,000.

Fiscal year 2001: \$6,614,400,000,000.

Fiscal year 2002: \$6,806,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001 are as follows:

Fiscal year 1996:

(A) New direct loan obligations, \$37,600,000,000.

(B) New primary loan guarantee commitments, \$193,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, \$40,200,000,000.

(B) New primary loan guarantee commitments, \$187,900,000,000.

Fiscal year 1998:

(A) New direct loan obligations, \$42,300,000,000.

(B) New primary loan guarantee commitments, \$185,300,000,000.

Fiscal year 1999:

(A) New direct loan obligations, \$45,700,000,000.

(B) New primary loan guarantee commitments, \$183,300,000,000.

Fiscal year 2000:

(A) New direct loan obligations, \$45,800,000,000.

(B) New primary loan guarantee commitments, \$184,700,000,000.

Fiscal year 2001:

(A) New direct loan obligations, \$45,800,000,000.

(B) New primary loan guarantee commitments, \$186,100,000,000.

Fiscal year 2002:

(A) New direct loan obligations, \$46,100,000,000.

(B) New primary loan guarantee commitments, \$187,600,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

ments, \$0.

(A) New budget authority, \$40,500,000,000.
(B) Outlays, \$38,800,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:
(A) New budget authority, \$42,700,000,000.
(B) Outlays, \$37,500,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:
(A) New budget authority, \$43,500,000,000.
(B) Outlays, \$36,600,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:
(A) New budget authority, \$43,700,000,000.
(B) Outlays, \$35,600,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:
(A) New budget authority, \$44,300,000,000.
(B) Outlays, \$34,900,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:
(A) New budget authority, \$43,800,000,000.
(B) Outlays, \$34,200,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:
(A) New budget authority, \$43,300,000,000.
(B) Outlays, \$33,700,000,000.
(C) New direct loan obligations, \$200,000,000.
(D) New primary loan guarantee commitments, \$0.
(E) New secondary loan guarantee commitments, \$0.

(9) Community and Regional Development (450):
Fiscal year 1996:
(A) New budget authority, \$6,700,000,000.
(B) Outlays, \$9,900,000,000.
(C) New direct loan obligations, \$2,700,000,000.
(D) New primary loan guarantee commitments, \$1,200,000,000.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:
(A) New budget authority, \$6,700,000,000.
(B) Outlays, \$7,800,000,000.
(C) New direct loan obligations, \$2,700,000,000.
(D) New primary loan guarantee commitments, \$1,200,000,000.
(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:
(A) New budget authority, \$6,700,000,000.
(B) Outlays, \$6,700,000,000.
(C) New direct loan obligations, \$2,700,000,000.

(A) New budget authority, \$267,600,000,000.
(B) Outlays, \$260,000,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, \$308,400,000,000.

(B) Outlays, \$308,400,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, \$314,300,000,000.

(B) Outlays, \$314,300,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, \$319,400,000,000.

(B) Outlays, \$319,400,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, \$320,000,000.

(B) Outlays, \$320,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, \$322,600,000,000.

(B) Outlays, \$322,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

(19) Allowances (920):

Fiscal year 1996:

(A) New budget authority, — \$2,300,000,000.

(B) Outlays, — \$1,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:

(A) New budget authority, — \$2,400,000,000.

(B) Outlays, — \$2,300,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, — \$2,400,000,000.

(B) Outlays, — \$2,500,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, — \$2,500,000,000.

(B) Outlays, — \$2,700,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, — \$2,600,000,000.

(B) Outlays, — \$2,800,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, — \$2,600,000,000.

(B) Outlays, — \$2,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, — \$2,600,000,000.

(B) Outlays, — \$2,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, — \$34,400,000,000.

(B) Outlays, — \$34,400,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:

(A) New budget authority, — \$34,200,000,000.

(B) Outlays, — \$34,200,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, — \$37,600,000,000.

(B) Outlays, — \$37,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, \$36,400,000,000.

(B) Outlays, \$36,400,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, — \$38,100,000,000.

(B) Outlays, — \$38,100,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, — \$37,900,000,000.

(B) Outlays, — \$37,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, — \$39,000,000,000.

(B) Outlays, — \$39,000,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

SEC. 4. RECONCILIATION.

(a)(1) Not later than July 14, 1995, the House committees named in paragraphs (1) through (12) of subsection (b) of this section shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) Each committee named in paragraphs (1) through (11) of subsection (b) shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(A) fiscal year 1996,

(B) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(C) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the total level of direct spending in that period in the paragraph applicable to that committee.

(3) Each committee named in paragraphs (2)(B), (4)(B), (5)(B), and (6)(B) of subsection (b) shall report changes in laws within its jurisdiction as set forth in the paragraph applicable to that committee.

(4) The Committee on Ways and Means shall carry out subsection (b)(12).

(b)(1) The House Committee on Agriculture: \$35,824,000,000 in outlays in fiscal year 1996, \$171,886,000,000 in outlays in fiscal years 1996 through 2000, and \$263,102,000,000 in outlays in fiscal years 1996 through 2002.

(2)(A) The House Committee on Banking and Financial Services: —\$12,897,000,000 in outlays in fiscal year 1996, —\$43,065,000,000 in outlays in fiscal years 1996 through 2000, and —\$57,184,000,000 in outlays in fiscal years 1996 through 2002.

(B) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that would reduce the deficit by: \$0 in fiscal year 1996, —\$100,000,000 in fiscal years 1996 through 2000, and —\$260,000,000 in fiscal years 1996 through 2002.

(3) The House Committee on Commerce: \$293,665,000,000 in outlays in fiscal year 1996, \$1,726,600,000,000 in outlays in fiscal years 1996 through 2000, and \$2,625,094,000,000 in outlays in fiscal years 1996 through 2002.

(4)(A) The House Committee on Economic and Educational Opportunities: \$13,727,000,000 in outlays in fiscal year 1996, \$61,570,000,000 in outlays in fiscal years 1996 through 2000, and \$95,520,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on Economic and Educational Opportunities shall report program changes in laws within its jurisdiction that would result in a reduction in outlays as follows: —\$720,000,000 in fiscal year 1996, —\$5,908,000,000 in fiscal years 1996 through 2000, and —\$9,018,000,000 in fiscal years 1996 through 2002.

(5)(A) The House Committee on Government Reform and Oversight: \$57,725,000,000 in outlays in fiscal year 1996, \$313,647,000,000 in outlays in fiscal years 1996 through 2000, and \$455,328,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: —\$988,000,000 in fiscal year 1996, —\$9,618,000,000 in fiscal years 1996 through 2000, and —\$14,740,000,000 in fiscal years 1996 through 2002.

(6)(A) The House Committee on International Relations: \$14,246,000,000 in outlays in fiscal year 1996, \$62,076,000,000 in outlays in fiscal years 1996 through 2000, and \$83,206,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on International Relations shall report changes in laws within its jurisdiction that would reduce the deficit by: —\$19,000,000,000 in fiscal year 1996, —\$95,000,000,000 in fiscal years 1996 through 2000, and —\$123,000,000 in fiscal years 1996 through 2002.

(7) The House Committee on the Judiciary: \$2,580,000,000 in outlays in fiscal year 1996, \$14,043,000,000 in outlays in fiscal years 1996 through 2000, and \$20,029,000,000 in outlays in fiscal years 1996 through 2002.

(8) The House Committee on National Security: \$38,769,000,000 in outlays in fiscal year 1996, \$224,682,000,000 in outlays in fiscal years 1996 through 2000, and \$328,334,000,000 in outlays in fiscal years 1996 through 2002.

(9) The House Committee on Resources: \$1,558,000,000 in outlays in fiscal year 1996, \$6,532,000,000 in outlays in fiscal years 1996 through 2000, and \$12,512,000,000 in outlays in fiscal years 1996 through 2002.

(10) The House Committee on Transportation and Infrastructure: \$16,636,000,000 in outlays in fiscal year 1996, \$83,227,000,000 in outlays in fiscal years 1996 through 2000, and \$117,079,000,000 in outlays in fiscal years 1996 through 2002.

(11) The House Committee on Veterans' Affairs: \$19,041,000,000 in outlays in fiscal year 1996, \$105,965,000,000 in outlays in fiscal years 1996 through 2000, and \$154,054,000,000 in outlays in fiscal years 1996 through 2002.

(12)(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(i) fiscal year 1996,

(ii) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(iii) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the following level in that period: \$356,336,000,000 in outlays in fiscal year 1996, \$2,152,905,000,000 in outlays in fiscal years 1996 through 2000, and \$3,297,787,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee for—

(i) fiscal year 1996,

(ii) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(iii) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002, is not less than the following amount in that period: \$1,027,612,000,000 in fiscal year 1996, \$5,371,087,000,000 in fiscal years 1996 through 2000, and \$7,836,405,000,000 in fiscal years 1996 through 2002.

(c)(1) Not later than September 14, 1995, the House committees named in paragraphs (2) and (3) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Budget Committee shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revisions.

(2) In addition to changes in laws reported pursuant to subsection (b)(3), the House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(A) fiscal year 1996,

(B) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(C) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the following level in that period: \$287,165,000,000 in outlays in fiscal year 1996, \$1,592,200,000,000 in outlays in fiscal years 1996 through 2000, and \$2,338,694,000,000 in outlays in fiscal years 1996 through 2002.

(3) In addition to changes in laws reported pursuant to subsection (b)(12), the House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(A) fiscal year 1996,

(B) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(C) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the following level in that period: \$349,836,000,000 in outlays in fiscal year 1996, \$2,018,505,000,000 in outlays in fiscal years 1996 through 2000, and \$3,009,387,000,000 in outlays in fiscal years 1996 through 2002.

(d) For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 5. AGRICULTURAL SAVINGS.

Congress shall re-examine budget reductions for agricultural programs in the United States Department of Agriculture for fiscal years 1999 and 2000 unless the following conditions are met—

(1) land values on agricultural land on January 1, 1998, are at least 95 percent of the same values on the date of adoption of this resolution;

(2) there is enacted into law regulatory relief for the agricultural sector in the areas of wetlands regulation, the Endangered Species Act, private property rights and cost-benefit analyses of proposed regulations;

(3) there is tax relief for producers in the form of capital gains tax reduction, increased estate tax exemptions and mechanisms to average tax loads over strong and weak income years; and

(4) there is no government interference in the international market in the form of agricultural trade embargoes in effect and there is successful implementation and enforcement of trade agreements,

including the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) to lower export subsidies and reduce import barriers to trade imposed by foreign governments.

SEC. 6. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1996 budget included \$8,000,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sale.

(b) BUDGETARY TREATMENT.—For purposes of the Congressional Budget Act of 1974, the amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(c) DEFINITION.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) TREATMENT OF LOAN ASSETS.—For purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 7. INTERNAL REVENUE SERVICE COMPLIANCE INITIATIVE.

(a) ADJUSTMENTS.—(1) For purposes of points of order under the Congressional Budget Act of 1974 and concurrent resolutions on the budget—

(A) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(B) the allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(C) the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

shall be adjusted to reflect the amounts of additional new budget authority or additional outlays (as defined in paragraph (2)) reported by the Committee on Appropriations in appropriation Acts (or by the committee of conference on such legislation) for the Internal Revenue Service compliance initiative activities in any fiscal year, but not to exceed in any fiscal year \$405,000,000 in new budget authority and \$405,000,000 in outlays.

(2) As used in this section, the terms "additional new budget authority" or "additional outlays" shall mean, for any fiscal year, budget authority or outlays (as the case may be) in excess of the amounts requested for that fiscal year for the Internal Revenue Service in the President's Budget for fiscal year 1996.

(b) REVISED LIMITS, ALLOCATIONS, AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the chairman of the Committee on the Budget of the Senate or the House of Representatives (as the case may be) shall submit to that chairman's respective House appropriately revised—

(1) discretionary spending limits under section 601(a)(2) of the Congressional Budget Act of 1974 (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(2) allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(3) appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

to carry out this subsection. These revised discretionary spending limits, allocations, and aggregates shall be considered for purposes of congressional enforcement under that Act as the discretionary spending limits, allocations, and aggregates.

(c) REPORTING REVISED SUBALLOCATIONS.—The Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 to carry out this section.

(d) CONTINGENCIES.—

(1) The Internal Revenue Service and the Department of the Treasury have certified that they are firmly committed to the principles of privacy, confidentiality, courtesy, and protection of taxpayer rights. To this end, the Internal Revenue Service and the Department of the Treasury have explicitly committed to initiate and implement educational programs for any new employees hired as a result of the compliance initiative made possible by this section.

(2) This section shall not apply to any additional new budget authority or additional outlays unless—

(A) the chairmen of the Budget Committees certify, based upon information from the Congressional Budget Office, the General Accounting Office, and the Internal Revenue Service (as well as from any other sources they deem relevant), that such budget authority or outlays will not increase the total of the Federal budget deficits over the next five years; and

(B) any funds made available pursuant to such budget authority or outlays are available only for the purpose of carrying out Internal Revenue Service compliance initiative activities.

SEC. 8. SENSE OF THE CONGRESS ON BASELINES.

(a) FINDINGS.—The Congress finds that:

(1) Baselines are projections of future spending if existing policies remain unchanged.

(2) Under baseline assumptions, spending automatically rises with inflation even if such increases are not provided under current law.

(3) Baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are scored as a reduction from a rising baseline.

(4) The baseline concept has encouraged Congress to abdicate its constitutional responsibility to control the public purse for programs which are automatically funded under existing law.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that baseline budgeting should be replaced with a form of budgeting that requires full justification and analysis of budget proposals and maximizes congressional accountability for public spending.

SEC. 9. SENSE OF CONGRESS ON EMERGENCIES.

(a) FINDINGS.—The Congress finds that:

(1) The Budget Enforcement Act of 1990 exempted from the discretionary spending limits and the Pay-As-You-Go requirements for entitlement and tax legislation funding requirements that are designated by Congress and the President as an emergency.

(2) Congress and the President have increasingly misused the emergency designation by—

(A) designating funding as an emergency that is neither unforeseen nor a genuine emergency, and

(B) circumventing spending limits or passing controversial items that would not pass scrutiny in a free-standing bill.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should study alternative approaches to budgeting for emergencies, including codifying the definition of an emergency and establishing contingency funds to pay for emergencies.

SEC. 10. SENSE OF CONGRESS REGARDING PRIVATIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION (SALLIE MAE).

(a) FINDINGS.—The Congress finds that:

(1) The Student Loan Marketing Association was established in 1972 as a government-sponsored corporation dedicated to ensuring adequate private sector funding for federally guaranteed education loans.

(2) Since 1972, student loan volume has grown from \$1,000,000,000 a year to \$25,000,000,000 a year. The Student Loan Marketing Association was instrumental in fostering this expansion of the student loan program.

(3) With securitization and 42 secondary markets, there currently exist numerous alternatives for lenders wishing to sell or liquidate their portfolios of student loans.

(4) Maintaining Student Loan Marketing Association as a Government-sponsored enterprise exposes taxpayers to an unnecessary liability.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Student Loan Marketing Association should be restructured as a private corporation.

SEC. 11. SENSE OF HOUSE OF REPRESENTATIVES REGARDING DEBT REPAYMENT.

It is the sense of the House of Representatives that—

(1) the Congress has a basic moral and ethical responsibility to future generations to repay the Federal debt;

(2) the Congress should enact a plan that balances the budget, and then also develops a regimen for paying off the Federal debt;

(3) after the budget is balanced, a surplus should be created, which can be used to begin paying off the debt; and

(4) such a plan should be formulated and implemented so that this generation can save future generations from the crushing burdens of the Federal debt.

SEC. 12. SENSE OF CONGRESS REGARDING REPEAL OF HOUSE RULE XLIX AND THE LEGAL LIMIT ON THE PUBLIC DEBT.

It is the sense of Congress that—

(1) rule XLIX of the Rules of House of Representatives (popularly known as the Gephardt rule) should be repealed;

(2) the fiscal year 1996 reconciliation bill should be enacted into law before passage of the debt limit extension; and

(3) the debt limit should only be set at levels, and for durations, that help assure a balanced budget by fiscal year 2002 or sooner.

SEC. 13. SENSE OF CONGRESS REGARDING THE BUDGETARY TREATMENT OF THE ADMINISTRATIVE COSTS FOR DIRECT LOANS.

(a) FINDINGS.—The Congress finds that the Federal Credit Reform Act of 1990 understates the cost to the Government of direct loans because administrative costs are not included in the net present value calculation of Federal direct loan subsidy costs.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the cost of a direct loan should be the net present value, at the time the direct loan is disbursed, of the following cash flows for the estimated life of the loan:

(1) Loan disbursement.

(2) Repayments of principal.

(3) Interest costs and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries.

(4) In the case of a direct loan made pursuant to a program for which the Congressional Budget Office estimates that for the coming fiscal year (or any prior fiscal year) loan commitments will equal or exceed \$5,000,000,000, direct expenses, including expenses arising from—

(A) activities related to credit extension, loan origination, and loan servicing;

(B) payments to contractors, other Government entities, and program participants;

(C) management of contractors;

(D) collection of delinquents loans; and

(E) write-off and close-out of loans.

SEC. 14. SENSE OF THE CONGRESS REGARDING COMMISSION ON THE SOLVENCY OF THE FEDERAL MILITARY AND CIVIL SERVICE RETIREMENT FUNDS.

(a) FINDINGS.—The Congress finds that the Federal retirement system, for both military and civil service retirees, currently has liabilities of \$1.1 trillion, while holding assets worth \$340 billion and anticipating employee contributions of \$220 billion, which leaves an unfunded liability of \$540 billion.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that a high-level commission should be convened to study the problems associated with the Federal retirement system and make recommendations that will ensure the long-term solvency of the military and civil service retirement funds.

The CHAIRMAN. No further amendments are in order except the amendments printed in section 2 of House Resolution 149, which may be considered in the following order:

First, an amendment in the nature of a substitute by the gentleman from Missouri [Mr. GEPHARDT], printed in the CONGRESSIONAL RECORD of May 16, 1995;

Second, an amendment in the nature of a substitute by the gentleman from Wisconsin [Mr. NEUMANN] or the gentleman from New York [Mr. SOLOMON], consisting of the text of House Concurrent Resolution 66;

Third, an amendment in the nature of a substitute by the gentleman from New Jersey [Mr. PAYNE] or the gentleman from New York [Mr. OWENS], printed in the CONGRESSIONAL RECORD of May 16, 1995; and

Fourth, an amendment in the nature of a substitute by the minority leader or a designee based on a revised Presidential budget, if printed in the CONGRESSIONAL RECORD of May 17, 1995.

The amendments may be offered by a Member designated, shall be considered as read and shall not be subject to amendment. Each amendment will be debatable for 1 hour, equally divided and controlled by the proponent and an opponent of the amendment.

The adoption of any amendment in the nature of a substitute shall constitute conclusion of the amendment process.

At the conclusion of consideration of the concurrent resolution for amendment, there will be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the chairman and ranking minority member on the Committee on the Budget.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GEPHARDT:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriated for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: \$1,043,412,000,000.

Fiscal year 1997: \$1,083,818,000,000.

Fiscal year 1998: \$1,136,201,000,000.

Fiscal year 1999: \$1,191,632,000,000.

Fiscal year 2000: \$1,253,089,000,000.

Fiscal year 2001: \$1,322,134,000,000.

Fiscal year 2002: \$1,397,102,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: \$0.

Fiscal year 1997: \$0.

Fiscal year 1998: \$0.

Fiscal year 1999: \$0.

Fiscal year 2000: \$0.

Fiscal year 2001: \$0.
Fiscal year 2002: \$0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: \$103,800,000,000.
Fiscal year 1997: \$109,000,000,000.
Fiscal year 1998: \$114,900,000,000.
Fiscal year 1999: \$120,700,000,000.
Fiscal year 2000: \$126,900,000,000.
Fiscal year 2001: \$133,600,000,000.
Fiscal year 2002: \$140,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1996: \$1,278,100,000,000.
Fiscal year 1997: \$1,308,900,000,000.
Fiscal year 1998: \$1,356,100,000,000.
Fiscal year 1999: \$1,395,400,000,000.
Fiscal year 2000: \$1,452,800,000,000.
Fiscal year 2001: \$1,474,400,000,000.
Fiscal year 2002: \$1,523,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1996: \$1,279,800,000,000.
Fiscal year 1997: \$1,305,800,000,000.
Fiscal year 1998: \$1,334,700,000,000.
Fiscal year 1999: \$1,377,200,000,000.
Fiscal year 2000: \$1,430,300,000,000.
Fiscal year 2001: \$1,459,800,000,000.
Fiscal year 2002: \$1,506,100,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1996: \$236,400,000,000.
Fiscal year 1997: \$222,000,000,000.
Fiscal year 1998: \$198,500,000,000.
Fiscal year 1999: \$185,600,000,000.
Fiscal year 2000: \$177,200,000,000.
Fiscal year 2001: \$137,700,000,000.
Fiscal year 2002: \$109,300,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1996: \$5,195,000,000,000.
Fiscal year 1997: \$5,516,100,000,000.
Fiscal year 1998: \$5,809,800,000,000.
Fiscal year 1999: \$6,099,700,000,000.
Fiscal year 2000: \$6,374,300,000,000.
Fiscal year 2001: \$6,614,400,000,000.
Fiscal year 2002: \$6,806,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001 are as follows:

Fiscal year 1996:

(A) New direct loan obligations, \$37,600,000,000.

(B) New primary loan guarantee commitments, \$193,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, \$40,200,000,000.

(B) New primary loan guarantee commitments, \$187,900,000,000.

Fiscal year 1998:

(A) New direct loan obligations, \$42,300,000,000.

(B) New primary loan guarantee commitments, \$185,300,000,000.

Fiscal year 1999:

(A) New direct loan obligations, \$45,700,000,000.

(B) New primary loan guarantee commitments, \$183,300,000,000.

Fiscal year 2000:

(A) New direct loan obligations, \$45,600,000,000.

(B) New primary loan guarantee commitments, \$184,700,000,000.

Fiscal year 2001:

(A) New direct loan obligations, \$45,800,000,000.

(B) New primary loan guarantee commitments, \$186,100,000,000.

Fiscal year 2002:

(A) New direct loan obligations, \$46,100,000,000.

(B) New primary loan guarantee commitments, \$187,600,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, \$257,700,000,000.

(B) Outlays, \$261,100,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:

(A) New budget authority, \$253,300,000,000.

(B) Outlays, \$257,000,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, \$259,600,000,000.

(B) Outlays, \$254,500,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, \$266,200,000,000.

(B) Outlays, \$259,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, \$275,900,000,000.

(B) Outlays, \$267,800,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, \$275,900,000,000.

(B) Outlays, \$273,300,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, \$281,300,000,000.

(B) Outlays, \$276,700,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$1,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, \$15,800,000,000.

(B) Outlays, \$17,000,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:

(A) New budget authority, \$13,700,000,000.

(B) Outlays, \$15,100,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, \$11,300,000,000.

(B) Outlays, \$13,300,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, \$9,700,000,000.

(B) Outlays, \$11,500,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, \$10,500,000,000.

(B) Outlays, \$10,000,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, \$12,000,000,000.

(B) Outlays, \$11,100,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, \$12,000,000,000.

(B) Outlays, \$10,700,000,000.

(C) New direct loan obligations, \$5,700,000,000.

(D) New primary loan guarantee commitments, \$18,300,000,000.

(E) New secondary loan guarantee commitments, \$0.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, \$16,600,000,000.

(B) Outlays, \$16,700,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:

(A) New budget authority, \$16,300,000,000.

(B) Outlays, \$16,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, \$16,100,000,000.

(B) Outlays, \$16,200,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, \$15,900,000,000.

(B) Outlays, \$16,000,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, \$15,800,000,000.

(B) Outlays, \$15,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, \$15,800,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, \$12,700,000,000.

(B) Outlays, \$11,600,000,000.

(C) New direct loan obligations, \$11,400,000,000.

(D) New primary loan guarantee commitments, \$5,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, \$11,400,000,000.

(B) Outlays, \$10,400,000,000.

(C) New direct loan obligations, \$11,100,000,000.

(D) New primary loan guarantee commitments, \$5,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, \$11,100,000,000.

(B) Outlays, \$10,100,000,000.

(C) New direct loan obligations, \$10,900,000,000.

(D) New primary loan guarantee commitments, \$5,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, \$2,500,000,000.

(B) Outlays, \$-7,000,000,000.

(C) New direct loan obligations, \$1,900,000,000.

(D) New primary loan guarantee commitments, \$123,100,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:

(A) New budget authority, \$1,600,000,000.

(B) Outlays, \$-5,400,000,000.

(C) New direct loan obligations, \$1,400,000,000.

(D) New primary loan guarantee commitments, \$123,100,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1998:

(A) New budget authority, \$600,000,000.

(B) Outlays, \$-7,100,000,000.

(C) New direct loan obligations, \$1,400,000,000.

(D) New primary loan guarantee commitments, \$123,100,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1999:

(A) New budget authority, \$100,000,000.

(B) Outlays, \$-5,100,000,000.

(C) New direct loan obligations, \$1,400,000,000.

(D) New primary loan guarantee commitments, \$123,100,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2000:

(A) New budget authority, \$1,500,000,000.

(B) Outlays, \$-3,900,000,000.

(C) New direct loan obligations, \$1,400,000,000.

(D) New primary loan guarantee commitments, \$123,100,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:

(A) New budget authority, \$500,000,000.

(B) Outlays, \$-3,200,000,000.

(C) New direct loan obligations, \$1,400,000,000.

(D) New primary loan guarantee commitments, \$123,100,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 2002:

(A) New budget authority, \$300,000,000.

(C) New direct loan obligations, \$0.

(E) New secondary loan guarantee commitments, \$0.

(A) New budget authority, \$19,000,000,000.
 (B) Outlays, \$20,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$18,400,000,000.
 (B) Outlays, \$19,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$18,100,000,000.
 (B) Outlays, \$19,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 (17) General Government (800):
 Fiscal year 1996:
 (A) New budget authority, \$12,400,000,000.
 (B) Outlays, \$12,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1997:
 (A) New budget authority, \$12,300,000,000.
 (B) Outlays, \$12,200,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$11,600,000,000.
 (B) Outlays, \$12,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$11,500,000,000.
 (B) Outlays, \$11,400,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$11,100,000,000.
 (B) Outlays, \$10,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$10,800,000,000.
 (B) Outlays, \$10,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$10,700,000,000.
 (B) Outlays, \$10,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 (18) Net Interest (900):
 Fiscal year 1996:
 (A) New budget authority, \$296,000,000,000.
 (B) Outlays, \$296,000,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1997:
 (A) New budget authority, \$302,800,000,000.
 (B) Outlays, \$302,800,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$304,600,000,000.
 (B) Outlays, \$304,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$307,700,000,000.
 (B) Outlays, \$307,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$310,500,000,000.
 (B) Outlays, \$310,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$309,300,000,000.
 (B) Outlays, \$309,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$311,100,000,000.
 (B) Outlays, \$311,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 (19) Allowances (920):
 Fiscal year 1996:
 (A) New budget authority, \$-8,600,000,000.
 (B) Outlays, \$-6,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1997:
 (A) New budget authority, \$-8,400,000,000.
 (B) Outlays, \$-8,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$-7,300,000,000.
 (B) Outlays, \$-7,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$-6,800,000,000.
 (B) Outlays, \$-7,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$-5,700,000,000.
 (B) Outlays, \$-6,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.

Fiscal year 2001:
 (A) New budget authority, \$-5,700,000,000.
 (B) Outlays, \$-6,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$-5,700,000,000.
 (B) Outlays, \$-6,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 (20) Undistributed Offsetting Receipts (950):
 Fiscal year 1996:
 (A) New budget authority, \$-33,100,000,000.
 (B) Outlays, \$-32,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1997:
 (A) New budget authority, \$-33,800,000,000.
 (B) Outlays, \$-33,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1998:
 (A) New budget authority, \$-36,300,000,000.
 (B) Outlays, \$-35,500,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 1999:
 (A) New budget authority, \$-37,800,000,000.
 (B) Outlays, \$-38,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2000:
 (A) New budget authority, \$-39,900,000,000.
 (B) Outlays, \$-41,100,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2001:
 (A) New budget authority, \$-41,600,000,000.
 (B) Outlays, \$-41,600,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
 Fiscal year 2002:
 (A) New budget authority, \$-42,900,000,000.
 (B) Outlays, \$-42,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.

SEC. 4. RECONCILIATION.

(a) Not later than September 14, 1995, the House committees named in subsections (b) through (o) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the House Budget Committee shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$1,120,000,000 in budget authority and \$1,120,000,000 in outlays in fiscal year 1996, \$2,530,000,000 in budget authority and \$2,530,000,000 in outlays in fiscal year 1997, \$2,650,000,000 in budget authority and \$2,650,000,000 in outlays in fiscal year 1998, \$2,810,000,000 in budget authority and \$2,810,000,000 in outlays in fiscal year 1999, \$2,650,000,000 in budget authority and \$2,650,000,000 in outlays in fiscal year 2000, \$2,700,000,000 in budget authority and \$2,700,000,000 in outlays in fiscal year 2001, and \$2,760,000,000 in budget authority and \$2,760,000,000 in fiscal year 2002.

(c) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$910,000,000 in budget authority and \$910,000,000 in outlays in fiscal year 1996, \$930,000,000 in budget authority and \$930,000,000 in outlays in fiscal year 1997, \$950,000,000 in budget authority and \$950,000,000 in outlays in fiscal year 1998, \$1,030,000,000 in budget authority and \$1,030,000,000 in outlays in fiscal year 1999, \$1,050,000,000 in budget authority and \$1,050,000,000 in outlays in fiscal year 2000, \$1,070,000,000 in budget authority and \$1,070,000,000 in outlays in fiscal year 2001, and \$1,070,000,000 in budget authority and \$1,070,000,000 in fiscal year 2002.

(d) The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$15,780,000,000 in budget authority and \$15,650,000,000 in outlays in fiscal year 1996, \$30,830,000,000 in budget authority and \$30,830,000,000 in outlays in fiscal year 1997, \$36,070,000,000 in budget authority and \$36,080,000,000 in outlays in fiscal year 1998, \$49,820,000,000 in budget authority and \$50,010,000,000 in outlays in fiscal year 1999, \$59,140,000,000 in budget authority and \$59,140,000,000 in outlays in fiscal year 2000, \$68,760,000,000 in budget authority and \$68,760,000,000 in outlays in fiscal year 2001, and \$82,480,000,000 in budget authority and \$82,480,000,000 in fiscal year 2002.

(e) The House Committee on Economic and Educational Opportunities shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$460,000,000 in budget authority and \$390,000,000 in outlays in fiscal year 1996, \$770,000,000 in budget authority and \$730,000,000 in outlays in fiscal year 1997, \$800,000,000 in budget authority and \$790,000,000 in outlays in fiscal year 1998, \$830,000,000 in budget authority and \$830,000,000 in outlays in fiscal year 1999, \$880,000,000 in budget authority and \$880,000,000 in outlays in fiscal year 2000, \$1,210,000,000 in budget authority and \$1,200,000,000 in outlays in fiscal year 2001, and \$1,290,000,000 in budget authority and \$1,280,000,000 in fiscal year 2002.

(f) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$280,000,000 in budget authority and \$280,000,000 in outlays in fiscal year 1996, \$570,000,000 in budget authority and \$570,000,000 in outlays in fiscal year 1997, \$890,000,000 in budget authority and \$890,000,000 in outlays in fiscal year 1998, \$1,220,000,000 in budget authority and \$1,220,000,000 in outlays in fiscal year 1999, \$1,810,000,000 in budget authority and \$1,810,000,000 in outlays in fiscal year 2000, \$840,000,000 in budget authority and

\$840,000,000 in outlays in fiscal year 2001, and \$1,160,000,000 in budget authority and \$1,160,000,000 in fiscal year 2002.

(g) The House Committee on International Relations shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$0 in budget authority and \$0 in outlays in fiscal year 1996, \$0 in budget authority and \$0 in outlays in fiscal year 1997, \$0 in budget authority and \$0 in outlays in fiscal year 1998, \$0 in budget authority and \$0 in outlays in fiscal year 1999, \$0 in budget authority and \$0 in outlays in fiscal year 2000, \$0 in budget authority and \$0 in outlays in fiscal year 2001, and \$0 in budget authority and \$0 in fiscal year 2002.

(h) The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$120,000,000 in budget authority and \$120,000,000 in outlays in fiscal year 1996, \$130,000,000 in budget authority and \$130,000,000 in outlays in fiscal year 1997, \$140,000,000 in budget authority and \$140,000,000 in outlays in fiscal year 1998, \$270,000,000 in budget authority and \$150,000,000 in outlays in fiscal year 1999, \$270,000,000 in budget authority and \$160,000,000 in outlays in fiscal year 2000, \$280,000,000 in budget authority and \$160,000,000 in outlays in fiscal year 2001, and \$290,000,000 in budget authority and \$170,000,000 in fiscal year 2002.

(i) The House Committee on National Security shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$0 in budget authority and \$0 in outlays in fiscal year 1996, \$0 in budget authority and \$0 in outlays in fiscal year 1997, \$0 in budget authority and \$0 in outlays in fiscal year 1998, \$0 in budget authority and \$0 in outlays in fiscal year 1999, \$0 in budget authority and \$0 in outlays in fiscal year 2000.

(j) The House Committee on Resources shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$60,000,000 in budget authority and \$60,000,000 in outlays in fiscal year 1996, \$80,000,000 in budget authority and \$80,000,000 in outlays in fiscal year 1997, \$2,330,000,000 in budget authority and \$2,330,000,000 in outlays in fiscal year 1998, \$1,090,000,000 in budget authority and \$1,090,000,000 in outlays in fiscal year 1999, \$290,000,000 in budget authority and \$290,000,000 in outlays in fiscal year 2000, \$3,970,000,000 in budget authority and \$3,970,000,000 in outlays in fiscal year 2001, and \$3,380,000,000 in budget authority and \$3,380,000,000 in fiscal year 2002.

(k) The House Committee on Science shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$0 in budget authority and \$0 in outlays in fiscal year 1996, \$0 in budget authority and \$0 in outlays in fiscal year 1997, \$0 in budget authority and \$0 in outlays in fiscal year 1998, \$0 in budget authority and \$0 in outlays in fiscal year 1999, \$0 in budget authority and \$0 in outlays in fiscal year 2000, \$0 in budget authority and \$0 in outlays in fiscal year 2001, and \$0 in budget authority and \$0 in fiscal year 2002.

(l) The House Committee on Small Business shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$0 in budget authority and \$0 in outlays in fiscal year 1996, \$0 in budget authority and \$0 in outlays in fiscal year 1997, \$0 in budget authority and \$0 in outlays in fiscal year 1998, \$0 in budget authority and \$0 in outlays in fiscal year 1999, \$0 in budget authority and \$0 in outlays in fiscal year 2000,

\$0 in budget authority and \$0 in outlays in fiscal year 2001, and \$0 in budget authority and \$0 in fiscal year 2002.

(m) The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$550,000,000 in budget authority and \$550,000,000 in outlays in fiscal year 1996, \$550,000,000 in budget authority and \$550,000,000 in outlays in fiscal year 1997, \$550,000,000 in budget authority and \$550,000,000 in outlays in fiscal year 1998, \$610,000,000 in budget authority and \$610,000,000 in outlays in fiscal year 1999, \$620,000,000 in budget authority and \$620,000,000 in outlays in fiscal year 2000, \$620,000,000 in budget authority and \$620,000,000 in outlays in fiscal year 2001, and \$620,000,000 in budget authority and \$620,000,000 in fiscal year 2002.

(n) The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: \$300,000,000 in budget authority and \$300,000,000 in outlays in fiscal year 1996, \$300,000,000 in budget authority and \$300,000,000 in outlays in fiscal year 1997, \$400,000,000 in budget authority and \$400,000,000 in outlays in fiscal year 1998, \$500,000,000 in budget authority and \$500,000,000 in outlays in fiscal year 1999, \$1,200,000,000 in budget authority and \$1,200,000,000 in outlays in fiscal year 2000, \$1,300,000,000 in budget authority and \$1,300,000,000 in outlays in fiscal year 2001, and \$1,500,000,000 in budget authority and \$1,500,000,000 in fiscal year 2002.

(o) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit, as follows: \$14,370,000,000 in fiscal year 1996, \$27,550,000,000 in fiscal year 1997, \$28,460,000,000 in fiscal year 1998, \$35,960,000,000 in fiscal year 1999, \$35,340,000,000 in fiscal year 2000, \$42,320,000,000 in fiscal year 2001, and \$50,220,000,000 in fiscal year 2002.

(p) For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 and the term "new budget authority" has the meaning given to such term in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974.

SEC. 5. SENSE OF CONGRESS REGARDING TAX CUTS.

It is the sense of the Congress that changes in tax laws which stimulate private investment of savings should be enacted if the deficit reduction targets in this resolution are met.

SEC. 6. SENSE OF CONGRESS REGARDING EMERGENCIES.

It is the sense of the Congress that Congress should study alternative approaches to budgeting for emergencies, establishing regular procedures and funds for paying for emergencies.

SEC. 7. SENSE OF CONGRESS REGARDING DEBT REDUCTION.

It is the sense of the Congress that eliminating the deficit by producing a balanced budget is only the first step toward the ultimate goal of reducing and eventually eliminating the public debt.

SEC. 8. SENSE OF CONGRESS REGARDING TRUST FUND SURPLUSES.

Congress finds that all recent year Federal budgets, as well as both fiscal year 1996 budget resolutions reported out by the Budget Committees of the House of Representatives and the Senate, have masked the magnitude of annual deficits by counting various trust

fund surpluses. Therefore, it is the sense of the Congress that upon reaching a balance in the Federal budget, the Government should move toward balance without consideration of trust fund surpluses.

SEC. 9. SENSE OF CONGRESS REGARDING LOCK-BOX.

(a) It is the sense of the Congress that:

(1) The current practice of reallocating for other spending purposes spending cuts made during floor consideration of appropriations bills should be ended.

(2) A "Deficit Reduction Lock-Box" should be established to collect these spending reductions.

(3) These spending reductions should be used for deficit or debt reduction.

(b) To facilitate Deficit Reduction Lock-Box compliance by the Committees on Appropriations, the Congressional Budget Office shall score all general appropriation measures and have such score card published in the Congressional Record.

SEC. 10. SENSE OF CONGRESS REGARDING FIREWALLS.

It is the sense of the Congress that the discretionary spending totals for defense, international, and domestic spending should be enforced through spending limits for each category with firewalls to prevent funds from being shifted between categories.

SEC. 11. SENSE OF CONGRESS REGARDING BUDGET ENFORCEMENT.

It is the sense of the Congress that, in order to ensure that a balanced budget is achieved by 2002 and remain in balance thereafter, strict enforcement should be enacted. Such language should—

(1) require the Federal Government to reach a balanced Federal budget by fiscal year 2002 and remain in balance thereafter;

(2) establish procedures for developing honest, accurate, and accepted budget estimates;

(3) require that the President propose annual budgets that would achieve a balanced Federal budget by fiscal year 2002 and for each year thereafter, use accurate assumptions;

(4) require the Committees on the Budget of the House of Representatives and Senate to report budget resolutions that achieve a balanced Federal budget by fiscal year 2002 and for each year thereafter, using accurate assumptions; [and]

(5) establish a comprehensive system of budgetary enforcement to ensure that the levels of discretionary spending, mandatory spending, and revenues in this resolution are met.

SEC. 12. INTERNAL REVENUE SERVICE COMPLIANCE INITIATIVE.

(a) ADJUSTMENTS.—(1) For purposes of points of order under the Congressional Budget Act of 1974 and concurrent resolutions on the budget—

(A) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(B) the allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(C) the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

shall be adjusted to reflect the amounts of additional new budget authority or additional outlays (as defined in paragraph (2)) reported by the Committee on Appropriations in appropriation Acts (or by the committee of conference on such legislation) for the Internal Revenue Service compliance initiative activities in any fiscal year, but not to exceed in any fiscal year \$405,000,000 in new budget authority and \$405,000,000 in outlays.

(2) As used in this section, the terms "additional new budget authority" or "additional

outlays" shall mean, for any fiscal year, budget authority or outlays (as the case may be) in excess of the amounts requested for that fiscal year for the Internal Revenue Service in the President's Budget for fiscal year 1996.

(b) REVISED LIMITS, ALLOCATIONS, AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the chairman of the Committee on the Budget of the Senate or the House of Representatives (as the case may be) shall submit to that chairman's respective House appropriately revised—

(1) discretionary spending limits under section 601(a)(2) of the Congressional Budget Act of 1974 (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(2) allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(3) appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

to carry out this subsection. These revised discretionary spending limits, allocations, and aggregates shall be considered for purposes of congressional enforcement under that Act as the discretionary spending limits, allocations, and aggregates.

(c) REPORTING REVISED SUBALLOCATIONS.—The Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 to carry out this section.

(d) CONTINGENCIES.—

(1) The Internal Revenue Service and the Department of the Treasury have certified

(2) This section shall not apply to any additional new budget authority or additional outlays unless—

(A) the chairmen of the Budget Committees certify, based upon information from the Congressional Budget Office, the General Accounting Office, and the Internal Revenue Service (as well as from any other sources they deem relevant), that such budget authority or outlays will not increase the total of the Federal budget deficits over the next five years; and

(B) any funds made available pursuant to such budget authority or outlays are available only for the purpose of carrying out Internal Revenue Service compliance initiative activities.

SEC. 13. SENSE OF CONGRESS REGARDING MEDICAID BLOCK GRANTS.

It is the Sense of Congress that Medicaid block grants should be distributed based on a formula that takes into account the proportion of individuals with income below the poverty level in each State.

The CHAIRMAN. Under the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

Does the gentleman from Ohio [Mr. KASICH] rise in opposition to the amendment?

Mr. KASICH. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I ask unanimous consent that the time allotted to me under the rule be yielded to

the gentleman from Utah [Mr. ORTON], a key author of the amendment, and that he may control the time.

The CHAIRMAN. Is their objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I thank the minority leader for submitting our budget resolution to the committee when the Committee on Rules refused to make it in order and allow us to bring it to the floor. So I thank the gentleman for doing that, Mr. Chairman.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CONDIT].

(Mr. CONDIT asked and was given permission to revise and extend his remarks.)

Mr. CONDIT. Mr. Chairman, first of all I would like to acknowledge and thank the gentleman from Missouri [Mr. GEPHARDT], the minority leader, for allowing us this opportunity to present this budget this morning. On behalf of the coalition I extend a warm appreciation to him for this time because we may not have had this opportunity had it not been for Mr. GEPHARDT allowing us to present this budget. I also want to recognize and commend the task force chairman from the Coalition, the gentleman from Utah [Mr. ORTON] and the gentleman from Texas [Mr. STENHOLM] the gentleman from Alabama [Mr. BROWDER], and the gentleman from Oklahoma [Mr. BREWSTER] for their work on this budget. Let me also say three members on that task force are members of the Committee on the Budget, and for the Members who may not be committed yet on this proposal, they should understand that those three Members are well informed about the budgetary process, about this proposal, and they intend to explain it today and hopefully persuade my colleagues to be supportive of it.

Mr. Chairman, let me also say that none of the proposals before this House today is perfect. I say to my colleagues, if you're looking for perfection, you will not find it because we have to make some serious choices about where we're headed in terms of the financing of this country, and some of the choices that we have to make are difficult and hard, and we don't want to make them, but let me tell you it's been 27 years since we've had a balanced budget in this country, 27 years, and if we move to 2002, that makes it 35 years until we've had a balanced budget in this country. That is way too long.

Mr. Chairman, it is time that we came to grips with this issue and that we restored integrity, financial integrity, to this Government, to this House. So I would urge my colleagues today:

You know, if you're looking for perfection, you won't find it, but if you're

looking for a beginning, a beginning to balance the budget, to get us on a glide path, this is your opportunity. I encourage you to support this budget proposals today.

Mr. Chairman, for the past several months the coalition, a group of 23 Democrats committed to seeking bipartisan solutions to our Nation's problems, has played an active and constructive role in the issues considered by the House. As a cochair of the coalition, I have been extremely proud of our work on unfunded mandates, regulatory reform, tort reform, welfare, the Clean Water Act, and numerous other issues. Today, the coalition will play a central role in the passage of a balanced Federal budget.

I rise today in strong support of a balanced Federal budget. As all of us know, our current budgetary policies cannot continue. The budget deficit in 1994 was around \$200 billion. The accumulated national debt is approaching \$4.8 trillion. The human costs of the national debt are staggering. For every \$200 billion we add to the debt, each American child will pay an additional \$7,000 in taxes over their working lifetime just to meet debt service costs. A few years ago, the cost of the net national debt to every man, woman, and child was \$10,000. If spending patterns are not changed, the national debt will be about \$64,000 per American in the year 2030. Clearly, these levels are unsustainable.

Just a few months ago, this body debated a balanced budget amendment to the U.S. Constitution. Opponents of the amendment said it was unnecessary because Congress already had the ability to balance the budget. Those people were right, we do have the ability to balance the budget—all we need now is the will to do it.

Well, today is the day that my colleagues can demonstrate whether their actions match their words. If you support a balanced budget, then vote for a balanced budget. Before the House today are four alternatives that will get the budget in balance by the year 2002.

The budget resolution authored by my good friend, Congressman ORTON of Utah, which is offered on behalf of the coalition, is a good budget. It is a realistic proposal that makes the necessary cuts in a fair and reasonable manner. It actually produces a bigger budget surplus in the year 2002 than does the House Budget Committee budget. By not including the tax reductions that are included in the House Budget Committee proposal, the coalition budget allows the deficit to be eliminated with less cuts in Medicare, Medicaid, and student loans. For these reasons, I prefer the coalition budget to the other alternatives, and I will support it when it comes up for a vote.

Should the coalition budget fail, and I suspect that it might, I will also support the budget produced by the House Budget Committee under the leadership of Chairman JOHN KASICH.

When I came to this body in 1989, budget deficits were running around \$300 billion a year. To think that the budget resolution that we pass today will bring about a balanced Federal budget is an enormous and historic accomplishment.

Many of my colleagues have criticized the House Budget Committee budget as being too harsh on various segments of our society. In 1990 and 1993, we avoided tough spending cuts and increased taxes in order to reduce

the deficit. As we know, neither of these proposals gave us a balanced budget. In 1993, my constituents told me over and over that we should cut spending first. The House Budget Committee proposal does this. It eliminates numerous Federal programs, cuts other programs, and reduces the rate of growth in others.

We have heard a lot of talk about Medicare cuts during this debate. While no one is pretending that reducing the deficit will be easy or painless, the fact of the matter is that Medicare spending in the House Budget Committee document will increase over the next 7 years. Current projections have the Medicare Program increasing by 11 percent a year. The House Budget Committee budget increases Medicare by 5 percent a year over the next 7 years. Only in Washington is a 5-percent increase in a program considered a cut.

Another point about Medicare that needs to be made is that the trustees of the program have informed the Congress and the administration that the Medicare Program will become insolvent in the year 2002 if we do not change course. I think it is a shame that some would ignore the looming bankruptcy of our Nation's health program for senior citizens in order to score a few cheap political points. This is the type of behavior that the American people rejected last November and want changed.

Under the House Budget Committee budget, total Federal spending over the next 7 years will go from \$9.4 to \$11.9 trillion. Is an increase of \$2.5 trillion over 7 years too cruel for America to withstand? I don't think so and I suspect that most Americans don't either.

Our last balanced Federal budget was in 1968—27 long years ago. Every year we keep saying that we'll do better—and we never do. Today some are saying that we cannot and should not try to balance the budget in 7 years. Wait until 2010, until 2020, they say. They justify these views by saying that cutting the spending necessary to balance the budget will hurt too much. Mr. Chairman, the pain will only get worse the longer we wait. We cannot afford to postpone this task any longer. Today, we should be bold and responsible and vote for a balanced budget.

Because of our debt and our spending patterns, over 70 percent of the budget is already determined for us. Mandatory entitlement programs and interest on the debt already consumes most of our revenues and leaves very little left over to spend on other Federal priorities. Our debt service is close to \$300 billion each year. The money we spend on interest payments for the debt is money that is denied to health care, nutrition programs, national defense, student loans, farm programs, community development, crime, education, and aid to local governments. By being fiscally responsible and eliminating our budget deficit, we will free up billions of dollars which can be reinvested in these worthy public policy concerns.

Rarely do we have before us a truly historic vote. Today we set upon the path to a balanced Federal budget. No more excuses, no more evasions, no more misrepresentations. The partisan bickering and gamesmanship needs to be put aside. Instead of a partisan dispute, the national debt belongs to all of us—and the solution we adopt will determine our future as a nation. None of the proposals are perfect—and they never will be. There are few attractive options to balancing the budget, but we must do it. Let us begin now. I urge all

of my colleagues to vote to balance the budget.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all let me begin by saying that I commend the gentleman from Utah [Mr. ORTON] and the other members of his group for the effort that they have made, and I do think that they have certainly made something that would have to be considered a substantial improvement over what the President submitted in his budget. This, after all, the proposal before us, does reach a balanced budget, but I think it is seriously flawed. It is seriously flawed in several respects, and let me just highlight for the moment, as we begin this debate, what I would say are some of the errors or the flaws in this proposal.

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In the first case, it does spend considerably more than the committee's budget proposal does, 102 billion more in spending. That is actual spending. Now again, let us recognize that we get to the same balanced budget but it has more spending in it.

It contains total discretionary spending nearly identical with that of the committee budget, but it spends more than \$50 billion more on welfare over 5 years than the committee would propose to do. It also cuts defense spending by \$55 billion below that that is in the committee level.

I think all the Members of this body who have, certainly those that have been around here a few years or who have looked at budgets over the last several years can see the decline that we have had in defense spending. I think most of us recognize that there is a point below which you do not cut spending without significantly damaging the national security of this country.

Where that is exactly, I think, is open for debate. But I think most of us, most in this body would agree that the 55 billion additional cut coming on top of the one steady decreasing baseline that we have seen over the last 10 years in the budget, in defense spending, is precipitous, is probably not warranted and certainly is subject to a lot more debate before we could justify that kind of cut.

The alternative proposal that we are debating now also contains \$8 billion in fees, including an airport slot fee and a Commodity Futures Trading Commission transaction fee. These fees, we would suggest, are really not much more than some kind of tax on certain groups.

There are \$96 billion more on Medicare than in the committee budget, but it does nothing. It has no plan to really reform the program. Thus, it fails to ensure any kind of long-term solvency for the Medicare program.

The proposal that is offered by the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from Utah [Mr. ORTON] would spend \$49 billion

more over the next 7 years on Medicaid than the committee proposes in its mark. It provides most importantly, and this is where we get to the bottom line because we do both agree, we have a zero at the end for a balanced budget, most importantly with the discretionary cuts that it has, which are going to be painful. They are going to be difficult. This committee, this proposal has no tax relief for families or for seniors, no incentives for economic growth. In other words, it preserves entirely the \$250 billion tax increase that this Congress enacted in 1993 as part of President Clinton's tax increase proposal.

I think when we are talking about this kind of cut in discretionary spending, and we acknowledge, we must acknowledge that there are going to be difficulties, there is going to be pain. And you cannot do this easily, that when we do this, that we should acknowledge, we should say to people, there is going to be some reward at the end. There is something for you in this. And the something for you should be for American families to have some kind of tax relief, for senior citizens some kind of tax relief, and for the economy, for the country to have some kind of tax incentives for economic growth.

None of that, none of that is going to be found in the alternative budget proposal that we are debating here today. So I would say, Mr. Chairman, that this proposal, while certainly it represents a step forward from what the president submitted to this Congress, is far, falls far short of what we should be doing in terms of balancing the budget, reforming Medicare, and giving tax relief to American taxpayers.

Mr. Chairman, I reserve the balance of my time.

Mr. ORTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, again I wish to thank our minority leader, Mr. GEPHARDT, for filing this substitute budget resolution on our behalf, when the Committee on Rules refused to make it in order, and allowing us to bring it to the floor. Without his action, we would not have had the opportunity to present a balanced budget proposal which does come to balance in the year 2002.

During the 1980's, Congress made a fundamental error in attempting to balance the budget. They cut taxes first and then never got around to cutting spending. Here we are again, \$3½ trillion later. This time we believe we should cut spending first, balance the budget, and then cut taxes. If you are trying to climb out of a \$5 trillion hole, you do not start by digging yourself \$700 billion deeper.

The coalition budget actually reaches a budget surplus in the year 2002 and does it by cutting spending ratably over 7 years. Our cuts are not back loaded. We have a gradual glide-path to balance where the Kasich budget continues deficits well over \$100 billion until the 6th year and then falls off the cliff.

Our reductions are more responsible and allow funding of high priority programs while balancing the budget and actually accumulating a \$160 billion less in public debt over the next 7 years.

Specifically, our budget funds Medicare with \$112 billion more than Kasich and \$65 billion more than Domenici but \$174 billion less than the current baseline. We reduce growth in Medicare costs sufficient to maintain solvency, but do not take an additional \$100 billion to pay for a tax cut.

We fund Medicaid with \$50 billion more than Kasich and \$38 billion more than Domenici but \$138 billion less than current baseline. This allows States a more reasonable transition to block granting of Medicaid.

We also assume the coalition welfare reform proposal, which saves \$25 billion over the 7 years.

The coalition budget continues \$19 billion of funding for student loans and in agriculture, which has already been cut by 60 percent, our budget cuts \$13 billion less than the Kasich budget.

We spend \$60 billion less on defense than Kasich, but \$37 billion more than the current baseline. By the way, this is also \$11 billion more than the Solomon-Neumann budget, which you will have an opportunity to vote on later today, and \$11 billion more than the Domenici budget.

Nondefense discretionary programs receive \$62 billion more than Kasich. By the way, \$35 billion of this is in education. Our budget provides \$56 billion more in domestic discretionary programs than Domenici. But this is still over \$400 billion less than the current baseline.

Finally, our budget does not include the \$353 billion in upfront taxes, which, by the way, will cost almost \$700 billion over the next 10 years, nor does it include the unspecified \$25 billion in corporate tax increases included in the Kasich budget.

In summary, the coalition budget provides sufficient funding to maintain solvency in the Medicare trust fund, provide a more reasonable transition to Medicaid block grants for States, preserve American agriculture, continue student loan assistance, reform welfare, continue funding for Head Start, President Bush's Goals 2000, drug-safe schools, public libraries, Public Broadcasting, children's health and immunization, women's health programs, rural health programs, basic health research, economic development programs such as CDBG, and many, many more high priorities while balancing the budget and saving \$160 billion in debt accumulation by 2002.

We say, cut spending first, balance the budget, then cut taxes.

I urge a "yes" vote on the coalition budget substitute.

Mr. Chairman, I reserve the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank my colleague from Arizona for yielding time to me.

I thank my friends on the other side of the aisle who brought forth this amendment. I listened with interest to my good friend from Utah thanking the distinguished minority leader for the time to bring this to the floor. I am sorry the minority leader had to leave the floor so quickly because I believe inherent in any question of policy is the question of process. So I find it very curious that it is widely speculated upon in the press that the distinguished minority leader will not vote for the budget plan which bears his own name.

Perhaps there will be some late-breaking developments in this case, but I find it incredibly interesting that so bereft of ideas is the other side of the aisle that the minority leader, in final summation of the arguments, will not vote for this budget plan and indeed, despite the valiant efforts of our friends who are blue dogs, they are truly blue dogs today, in all respect I say that, because so many Members of their own party will abandon them.

Mr. ORTON. Mr. Chairman, it is so ludicrous to bring up process, I will not even respond.

Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, let me thank the gentleman from Utah for yielding time to me.

Mr. Chairman, under the arbitrary restrictions that Republicans have imposed on discussing the most important economic document that we are going to vote on, the coalition substitute is by far the best option that we have before us.

It provides more deficit reduction without the draconian cuts that are in the Republican budget. How is that accomplished? It is \$188 billion actually less borrowing over the 7-year period. It is accomplished by providing earlier deficit reduction, by not giving defense a priority. The Republican budget exempts defense from any of the other cuts. That is not fair. Defense should be treated the same as any other program.

And the coalition budget does deficit reduction first and does not provide for the tax breaks for the wealthy.

Because of those changes, it allows us to restore \$163 billion of the Republican cuts in Medicare and Medicaid, which is desperately needed in order not to reduce the quality of care that our seniors are receiving. It allows us to restore the student loan cuts that the Republicans are suggesting to make it more difficult for students to be able to attend college. This budget removes that cut and restores those funds.

It provides more realistic caps on domestic spending so that we can argue

on the floor the restoration of the cuts proposed by the Republicans on environmental clean up or commuter rail. We had the opportunity to restore those cuts.

Mr. Chairman, there is a clear choice before us. You have a choice to do deficit reduction first before tax breaks for the wealthy. You can do that if you vote for the coalition budget. I urge my colleagues to do that.

Mr. Chairman, the annual debate we hold in this Chamber on the budget resolution is the most important statement we make on the role of the Federal Government in the kind of country we want to live in.

Given the importance of this debate, it is vital that we have a full range of options to consider. We should present to the American people a broad discussion of each aspect of the budget.

The overriding issue, of course, is the direction of fiscal policy we will take. We have strong agreement in this body that the most single important challenge we face remains the need to reduce the Federal budget deficit.

We have less agreement on the best set of policies to achieve that goal. We disagree on the mix of spending cuts that should be enacted to reduce the deficit. We disagree on the wisdom of cutting taxes before we have even brought the deficit under control.

The point of reducing the deficit is to strengthen the economy. The decision of whether to reduce the deficit by \$500 billion, or \$700 billion, or \$1 trillion over the next 7 years should be driven by what's best for the economy. It should also be driven by consideration of the value of the government programs that will be cut.

Unfortunately, the Republican leadership of the House has denied the American people the debate they deserve. The people who promised an open house have made sure that we would not have a full and open debate on this crucial issue.

Instead, they set up an arbitrary requirement. They said that it is not enough to propose a budget that dramatically reduces the deficit. They said the magic test is to balance the budget in 7 years or less, using their standards.

The Republicans have brought the budget resolution to the floor under a gag rule designed to prevent either substitutes or amendments that do not comply with their narrow notion of sound fiscal policy. By shutting off debate and preventing responsible alternatives, they have denied a debate on the priorities that would reflect the interests of my constituents.

The Republican leadership has set up artificial and short-sighted constraints to prevent a full and open debate on budget policy. But within those ideologically driven and extreme limits, one budget proposal has the promise of preserving America's priorities.

The coalition budget meets all the requirements. It balances the budget in 7 years. In fact, over the period, it has dramatically lower deficits than the Republican committee budget.

Let me emphasize that point. The coalition budget would borrow \$188 billion less over the 7-year period than the Republican budget. To those of us who are concerned about excess borrowing and the soaring expense of interest of the debt, the coalition budget is far superior to the Kasich budget. It will save billions of dollars in interest costs.

In addition to lower deficits, the coalition budget also gets to a balanced budget without inflicting the harsh damage on important priorities the American people care about. The American people understand the need to make sharp spending reductions to reduce the deficit. But they do not understand making those cuts any deeper or more damaging than is absolutely necessary to achieve the goal.

The Republican committee budget cuts Medicare and Medicaid by \$475 billion over 7 years. They have tried to justify this draconian plan by saying they are rescuing Medicare. I will work to rescue the Medicare trust fund. But we should do that work in the context of health care reform. This budget will force Medicare recipients to pay more for less. It does so not in the interest of improving or reforming health care for the elderly or anybody else, but to balance the budget and offset \$360 billion in tax cuts.

The coalition budget substitute will restore \$163 billion of the cuts that the committee budget would make in Medicare and Medicaid. The coalition budget refuses to balance the budget on the backs of the elderly and the sick, and it says no to tax breaks until we have brought the deficit under control.

When we set priorities to try to ensure our country's economic prosperity, nothing looms larger than the imperative of providing higher education to our young people. Yet the Republican committee budget will cut guaranteed student loans by nearly \$19 billion. The coalition preserves full funding for guaranteed student loans, proving that we can balance the budget without turning back on young Americans trying to afford a college education.

Another area where the coalition budget is far preferable to the Republican committee plan is in the preservation of valuable domestic priorities. The Republican committee budget will force drastic reductions in high priority programs like mass transit assistance, water treatment, women and children's health care, and the National Institutes of Health research, just to mention a few. When the American people say they want us to get spending under control and eliminate wasteful spending, these are not the types of programs they have in mind. They know better, and the coalition budget will permit us to fund these priorities.

Finally, the chairman of the Budget Committee has said that he is especially proud that his budget leaves no aspect of the budget untouched. But under the committee budget, one area of Federal spending escapes the budget axe. Over 7 years, the plan will increase military spending by \$76 billion. At a time when every other area of the budget is facing severe restraint, when children and the elderly and students are facing significant cuts in services, we cannot afford to increase spending on defense.

For all these reasons, in my judgment, the coalition budget is much the best of a poor set of choices. It is far superior to the Republican committee budget, for all the reasons I have mentioned and many more.

Under the arbitrary and unfair ground rules that have controlled this debate, the priorities of my constituents have not been given fair consideration. But the coalition budget comes closest to achieving the goals that are important to my district and to the country, and I will vote for it as a substitute to the badly flawed Republican budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding time to me.

Mr. Chairman, last night, as we debated the first Budget Committee plan to balance the budget in 25 years, our friends on the other side of the aisle were upset about our tax relief for the American family. We hear this same objection in the amendment we are debating. Many of the same people who 2 years ago supported the largest tax hike in history can't believe that we're trying to return some of this money to the American family.

They tried to divide American against American, employer against employee, worker against worker. But underlying their opposition to tax relief for American families is one undeniable, unbelievable fact: They actually think it's their money.

They've gotten so used to a big Federal Government that takes \$1 out of every \$4 the American family earns that they actually have forgotten who earns the money. They forget that it's the American family's money to spend. It's not Washington's money to take.

Mr. Chairman, the American family's hard earned dollars belong to the American family, not the Federal Government. It's the American people's money, Mr. Chairman, it's not ours. Support the balanced budget plan that reduces the government's budget and restores the family budget. Support the Budget Committee proposal.

Mr. ORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, I rise in support of the Orton-Stenholm Democratic substitute, the fair balanced budget.

Mr. Chairman, today is an historic debate that could result in balancing the Federal budget. I strongly support the Orton-Stenholm balanced budget, because it is the only fair, responsible budget this House will consider.

The Orton-Stenholm budget is the best option for a difficult task. It balances the Federal budget in 7 years. It makes tough but reasonable cuts without dramatically hurting children and seniors as the Kasich budget would. It does not include tax cuts for the wealthiest which we cannot afford. This is right, because we should not cut taxes before our budget is balanced. We tried this in 1981 and quadrupled the national debt in the process.

In contrast, the Republican budget is ill-conceived legislation. The Medicare cuts in the Republican budget are devastating for both seniors and the institutions that serve them. I will not support a bill which cuts health services to senior citizens, especially after they have already paid into the system. It will result in higher copayments, deductibles, and out of pocket costs and less choice of doctors. No matter how you shape it, less services for more money is a cut. It cuts Medicaid which will result in higher out of pocket costs to senior citizens for long-term care in nursing

homes. That is a cut. And the Republican budget cuts Medicare and Medicaid to pay for its tax breaks. This is imprudent.

In my district, these cuts will have a severe impact on the Texas Medical Center. I am particularly concerned about the cuts that will reduce funding for graduate medical education. For many teaching hospitals such as Baylor College of Medicine and University of Texas Medical Center, these reductions will reduce the number of trained physicians. Medicare is a major contributor toward the cost of this education. Yet this budget will cut this function dramatically.

The Orton-Stenholm budget is better for our Nation's children. Another institution in my area, Texas Children's Hospital, receives 48 percent of its funding from the Medicaid Program in the form of reimbursement and disproportionate care. The Republican budget will cut Medicaid by 30 percent. This is unfair and should be stopped. The Stenholm budget restores \$50 billion for Medicaid. Medicaid serves children and we should not forget these children in our efforts to balance the budget.

Health research is also unfairly cut by the Republican budget. Their plan would cut over 10 percent in fiscal year 1996—that means many research projects for breast cancer, Alzheimer's, and HIV will go unfinished. I am pleased that the Orton-Stenholm budget will provide \$11 billion more for health research programs like those conducted at University of Texas Health Science Center, M.D. Anderson, Methodist, St. Luke's, Baylor, and Hermann Hospitals.

The Orton-Stenholm budget also incorporates all of the provisions of democratic welfare reform bill that requires welfare recipients to work. Ultimately, with a good paying job, welfare will not be necessary.

The Orton-Stenholm budget restores funding of \$18.7 billion for student loans. For many middle-class families, these student loans are critical to pay for the cost of a college education. The Republican budget would give a tax break to the very wealthiest in the name of economic growth and investment and yet it would cut student loans, education, and job training. This is an ironic folly.

The Orton-Stenholm budget helps veterans. The Republican budget hurts veterans by reducing benefits for those who have served. The Republican budget breaks the promise that we made when we asked these valiant Americans to serve our Nation. I will not support breaking that promise.

The Orton-Stenholm budget is better for Federal employees. The Republican budget will reduce pension benefits and health care benefits for Federal employees. The Stenholm budget will not require these cuts.

The Orton-Stenholm budget also includes more funding for housing and economic development. In my district, a place to live and a job are the keys to one's success. Many of these housing programs help families to purchase their first home. I believe it is good public policy to encourage home ownership, not reduce it.

It is a question of fairness. My constituents will accept cuts, if they are fair. Orton-Stenholm is fair. The Republican budget is not because it cuts benefits for senior citizens, children, students, and veterans while giving a tax break we cannot afford to the very wealthiest.

As a new Member of Congress, I was elected by my constituents to reduce the deficit.

And although there are many tough choices to be made and many programs ultimately will be cut, the Orton-Stenholm plan is the best way to achieve a balanced budget and a healthier economy without sacrificing our investments in the American people.

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Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PETERSON], a member of our task force.

(Mr. PETERSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. PETERSON of Minnesota. Mr. Chairman, I rise in strong support of the substitute, which is the coalition budget proposal. This budget, which was drafted by the coalition budget task force and has been endorsed by the coalition, is the most responsible and sensible budget before the House.

The coalition budget is based on the common-sense principle that we should not cut taxes until we have done the hard work to balance the budget. The coalition is not opposed to tax cuts. In fact, coalition members strongly support tax cuts to stimulate investment and savings. What the coalition budget says very clearly is that we should make certain that the budget is on a clear path toward balance before we consider tax cuts. If we do not bring the deficit under control first, any economic benefit from tax cuts will be undercut by the continued drag that our national debt places on the economy.

We recognize that if we are not careful when we make changes in Medicare and Medicaid there will be severe consequences for individuals who depend on these programs and the small hospitals that will not be able to survive if we are not careful. The coalition budget calls for significant reforms to achieve savings in the Medicare and Medicaid Programs, but is based on a careful review of how much we can reduce those programs with out having an adverse impact on our health care system.

The same is true in agriculture programs. Once again, agriculture is being asked to bear more than its fair share of cuts. Cuts of this magnitude will unilaterally disarm Americans farmers in the battle in the global economy. The coalition budget will require real cuts in agricultural programs that will require sacrifice on the part of many of my constituents. However, the coalition budget sets a reasonable level of cuts that can be made without dismantling agriculture policy.

The budget we pass should make our country stronger for future generations by stopping the practice of putting an increasing burden of debt on their back and by providing funds for programs such as education, research and other programs which invest in the future of our country. We do not include reductions in the Stafford loan program that the committee budget requires. We provide \$35 billion more than the committee in education and training programs that will help us achieve a

strong economy and high standard of living.

The coalition budget is a realistic budget that balances the budget by 2002 without jeopardizing valuable programs. I urge its adoption.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Chairman, as we enter into this budget debate, I think it is very important to consider the job and the task at hand. Let us not miss this opportunity to reduce the role of the Federal Government in our lives.

In the budget process, I think we need to concentrate on two things, and that is if government has a role in anything, let us push it to the most local level. Second, let us review and get out of the things that government should never have been doing. Let us being to privatize. That is what the Kasich budget does.

We must also never pass up the opportunity to make the point that if people are taxed and regulated less, that they will be more productive, and there needs to be room in a budget to assume that that more productivity returns revenue into the Treasury.

Third, let us not underestimate the ability of the American people to rise to the challenge of less bureaucratic control in Washington, DC. That is what the Kasich budget does.

Fourth, let us beware of any proposal by a party whose leadership does not believe in less Federal Government in Washington, DC, and the leadership of a party who thrives on your dependence on a bureaucracy.

Mr. ORTON. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I speak for seniors and working families, children and the most needy. Already the State of Texas is burdened under this very horrible rescissions bill that we are facing with all of these cuts. However, after an extensive late-night review of all of the proposed budgets, the Republicans will certainly force greater hardships on poor, working, and middle-class Americans, without asking for a comparable sacrifice from those Americans who are comfortable and well off.

Mr. Chairman, America's fiscal reality dictates that we begin to take effective action against our deficits and debt, because they represent the greatest danger to the futures of our children, so many of them in our community, and our grandchildren. The political reality is that the Republicans have the absolute wrong budget. It is important that we try to minimize the harm ultimately to the families of constituents that I represent, and throughout America's urban neighborhoods.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

Ms. JACKSON-LEE. We must be in on the process. This budget process is going on, and we must save Medicare, education, science, and research, legal services, student loans, and major job training.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

Ms. JACKSON-LEE. We must support a fair budget. Support the Stenholm-Orton budget to be as fair as we can to all Americans.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The gentlewoman from Texas [Ms. JACKSON-LEE] will confine her remarks to the time that has been yielded to her.

Ms. JACKSON-LEE. I am doing so, Mr. Chairman.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I really want to, first of all, say that a lot of the people that are involved in this project are people that I like and respect, and I am hoping that at the end of the day they will be constructive partners with us, but there are some things that I have to point out.

For those who are trying to understand why this is not a good proposal, first of all, I want to commend this group for using essentially the CBO economics that we have felt is the most conservative economics. They in fact have used it.

What is the problem with this bill? The problem with this bill is this spends \$233 billion more than the Domenici proposal. We are trying to figure out precisely how much more that is than our proposal. What I will tell the Members, though, Domenici does not save as much as we do, and this is \$233 billion more in spending than Domenici.

Of course they cannot afford tax cuts, because they take this money and they spend it on more programs. That is what they do in this proposal. They have \$140 billion in interest savings, all of which they take and they spend. It is a hybrid of Clinton, essentially. This does not even get close to Domenici. This proposal takes all the interest savings, which is \$140 billion. They spend \$80 billion in spending more than Domenici, so that is \$220 billion, plus \$13 billion and more cuts in defense, it is \$233 billion.

Rather than taking the \$233 billion and giving it back to the American taxpayers in tax relief, which they say that we should not do, they take the \$233 billion, and instead of saving it, they spend it. Of course they cannot afford both tax relief and this proposal, because they do not have any money left over for tax relief, because they spend it all. That is the problem with this proposal. It is \$207 billion more in social spending than what we have in our bill. That does not even count all the interest.

The simple fact of the matter is that this does not do the job. This is warmed-over status quo. They made an effort to make some changes in some programs, and I compliment them.

Frankly, I think if the conservative Democrats had been able to put together this proposal on their own, without having to reach out and moderate the proposal, frankly, I expected something much different than this. I expected a proposal that was going to be pretty much like the Senate budget proposal in terms of fiscal discipline, but that is not what we have here.

Therefore, when Members are wondering about why there are no tax cuts, and the refrain is, "We should not do tax relief until we balance the budget," of course we cannot do tax relief when we are going to spend \$233 more on every program sprinkled throughout the Federal Government in order to attract the maximum number of votes.

What I would suggest is, Mr. Chairman, we defeat this proposal, we come to the floor, we actually get to a balanced budget, we give people some of their money back in tax relief, and we will do precisely what we promised and precisely what the American people want. We do not need to keep pumping up the programs and refusing to pull any wasteful programs out by the roots. What we really need to do is to make some hard choices to get this budget on the path toward being balanced over the long haul by making necessary decisions. This simply falls short.

If Members want to cut spending first, downsize Government, and give people some of their money back, then vote "no." If they want to add \$233 billion in additional spending over where the Senate plan is, then go ahead and vote for it. That is not where the American people are.

Mr. Chairman, I reserve the balance of my time.

Mr. ORTON. Mr. Chairman, I yield myself 10 seconds to point out that our budget balances and actually reduces the debt by \$160 billion more than the Kasich budget over the same 7-year period.

Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. BROWDER], a member of the Committee on the Budget and of our task force.

Mr. BROWDER. Mr. Chairman, first let me congratulate my friend on the other side for changing the nature of the debate that we are having around here, but also let me thank him for allowing us to come forward in response to his budget with what is a better budget.

Mr. Chairman, I want to give the House today my top 10 reasons why the Coalition budget is better for America and my constituents than the other budgets being offered today.

Reason No. 1, why our plan is better is that the Coalition plan balances the budget by 2002 with a sensible glide path, a deficit decline in every year to 2002.

Reason No. 2, Medicare is not abused to balance the budget. Medicare savings are set at \$174 billion, an amount sufficient to extend solvency of the Medicare Part A trust fund for 10 years.

Reason No. 3, Medicaid is turned over to the States as a block grant, but we restore \$50 billion to help the States adjust to this new responsibility, without raising local taxes.

Reason No. 4, the coalition plan does not eliminate in-school interest subsidies on student loans, and has sufficient funding to continue the impact aid program.

Reason No. 5, it makes responsible cuts in farm programs, so we do not unilaterally disarm our farmers, who must compete against heavily subsidized foreign producers.

Reason No. 6, it does not eliminate the Appalachian Regional Commission and Economic Development Administration, which support planning and industry in rural areas, allowing these areas to compete for jobs, and restores community development block grants that help small cities upgrade and provide services for their citizens.

Reason No. 7, it does not require the sale of the power marketing administrations, an action which would require rural rate increases, and would make rural areas less attractive to new industries.

Reason No. 8, it does not break faith with American working people on trade adjustment assistance training, which is designed to help areas that lose jobs to foreign competition.

Reason No. 9, it does not make severe cuts in NASA funding, which would threaten the space industry and our high-technology economy.

Reason No. 10, finally, it does not raise the retirement contributions from those people who work for our Government, but does call for congressional pension plans to be scaled back, to be in line with other Federal pension plans.

That brings me back to No. 1, which is the most important reason: our budget balances the budget by 2002 with a sensible glide path.

Mr. KASICH. Mr. Chairman I yield 1 minute to the gentleman from Ohio [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman I want to commend the other side for helping us with an argument that we have been having with a number of people on their side of the aisle relating to the CPI. While we may disagree about what the number might be, apparently they have adopted and do not question the fact that the CPI is incorrect.

Mr. ORTON. Mr. Chairman will the gentleman yield for 5 seconds?

Mr. HOBSON. I yield to the gentleman from Utah.

Mr. ORTON. Mr. Chairman, we assume a five-tenths of 1 percent reduction in CPI.

Mr. HOBSON. Reclaiming my time, Mr. Chairman, I understand we disagree about the number, but obviously

those on the gentleman's side who have demagogued on this thing, not you and the other people who put this up, the gentleman is helping us, and I want to thank him for that argument, because we agree that there is a problem and it needs to be fixed.

I think this brings the legitimacy across the aisles to this argument that we need to get it done, even though we do not agree as to what you wind up with in your budget, but I want to thank the gentleman for doing it. I think it is going to be helpful to get us on the road.

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Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

(Mr. HOYER asked and was given permission to revise and extend his remarks.)

Mr. HOYER. Mr. Chairman, I rise to express my support for this substitute offered by Congressmen STENHOLM and ORTON.

As my colleagues know, I believe it is essential for us to balance the Federal budget.

Today we have the opportunity to adopt a plan that moves us toward a balanced budget.

The Stenholm-Orton plan is not perfect. But it makes real choices—difficult choices to balance the budget and, without any doubt, is a better alternative than the plan prepared by Chairman KASICH and the Republicans of the Budget Committee.

The Kasich plan is an attack on working class Americans.

Education would be severely slashed. Under this resolution, when needy students from Waldorf or Lexington Park in my district go to apply for a Perkins loan they would be told, "Sorry—the Republicans have ended the low-interest loan program for needy college students."

Some 40 percent of Pell grant recipients come from families that earn less than \$12,000. The Republicans have not left that program alone either.

Even grants to help illiterate Marylanders learn basic work skills to become employable, taxpaying citizens would be terminated by the Republicans' proposal.

The cuts in programs to educate, train, and prepare Americans for productive work are staggering. If I were in the majority party, I would be embarrassed to be associated with these extreme proposals.

Health programs have fared little better. Over the past 20 years, a bipartisan commitment to funding the National Institutes of Health has put the United States on the cutting edge of global biomedical research.

The economic returns—and the improvements in our Nation's health—as a result of this investment are immense. The Republican decision to cut NIH and preventive health resources are shortsighted and will cost us dearly down the line.

Veterans programs, a priority for many of my constituents, would also

be severely cut by the Kasich resolution.

The Kasich proposal continues the assault on Federal employees by assuming that these civil servants will contribute an extra 2.5 percent annually to the Civil Service Retirement System and the newer Federal Employees Retirement System.

As I have said time and time again, this proposal is not fair. It violates the contract we made with these employees when they were hired.

Essentially, what this provision does is impose increased taxes on Federal workers to pay for a tax cut for the wealthy.

The House should not have included these provisions in the Archer tax bill and we shouldn't have them in the budget resolution either.

A lot has been said about the Republican cuts in Medicare—a total of \$283 billion over the next 7 years.

Mr. Chairman, all of us know that changes must be made in Medicare to ensure that it remains a strong program well into the 21st century. But the arbitrary, unspecified cuts included in the Kasich resolution will clearly have a devastating impact on the seniors that depend upon this program for basic health care.

My question to every Member of this body is, "will you join me in opposing a budget that will force seniors to pay an extra \$1,060 a year for Medicare by 2002 simply so that those with much will have more?"

Let us not forget, Mr. Chairman, that more than 80 percent of Medicare recipients have incomes below \$25,000 a year. I would suggest that some of my colleagues talk to their constituents, as I have in Maryland's Fifth District, about how tough it is to be retired and live on a fixed income.

I want to take the rest of my time to say what is right with the substitute that we are now debating.

There are changes I would make in the Stenholm-Orton substitute. I don't approve of the provisions included that would cap Government contributions to the Federal employee health benefit plans and base Federal retirement on employees' high-5 years.

I remain concerned by the cuts in health and education funding that is included in this alternative.

Mr. Chairman, the choices are hard. There is no easy way to balance our budget—a goal that must guide us as we consider this year's budget resolution.

But it is my view that the Stenholm/Orton substitute is the best way to achieve that goal. This resolution actually results in a surplus of about \$1 billion in 2002.

Yet, in sharp contrast to the Republican plan, the Democratic substitute does so without the same draconian impact on the most vulnerable Americans.

The Stenholm substitute rejects the proposed cuts in guaranteed student loans and sets more reasonable levels for Head Start, job training, and other education programs.

Yes, it does not give a tax cut, but these programs are important for those in America who are going to rely on

those young people being able to participate in the workplace.

As a Democrat who believes that national defense must remain one of our highest priorities, I am pleased that the Stenholm bill actually raises defense spending starting in the year 2000.

This Democratic alternative does not provide for tax cuts for the wealthy or for any other American until the budget is in balance. It remains my strongly held belief, as I have stated before on the floor, that deficit reduction must be our primary goal.

I support language in the Stenholm substitute that calls for tax cuts to stimulate savings and investment once our Federal budget is in balance.

That is the appropriate time to consider tax cuts. To do so now would be irresponsible, especially when you recall that the House-passed tax bill gives almost half of its benefits to the wealthiest 10 percent of Americans.

Mr. Chairman, I came to this House at the time of another Republican-prescribed revolution. The formula is much the same today as it was in the early 1980's.

Tax cuts and easy spending cuts right away. Postpone the tough decisions and deepest cuts until after the next election.

That is the strategy of the Kasich resolution. We do not know how Medicare and Medicaid savings will actually be achieved.

What we do know is that their plan pushes the most severe cuts in domestic spending off to the last 3 years. In contrast, the Stenholm plan is a true and realistic glidepath to a balanced budget. The Kasich plan has what I think has been correctly characterized as a cliff in 2000 and 2001.

Mr. Chairman, we all know the disastrous results of the easy road taken in the 1980's even though some still do not like to admit it.

I urge my colleagues to reject a repeat scenario. Vote for the Stenholm substitute—the best alternative for realistic yet fair achievement of a balanced Federal budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I can't believe that the other side of the aisle can, in good conscience, vote today against balancing our Nation's budget. I can't believe that they are able to look their families in the eye after so carelessly playing partisan politics with their futures.

The other side sees more importance in pitting Americans against Americans in class warfare than they do in securing the fiscal future of the Nation and its people.

And they can stand down here all day long and talk about what the Republican budget will do. But, I have said it before and I will say it again, don't try to fool the American people into believing that balancing the budget and cutting taxes will hurt them—they know better.

They know that the Government spends too much money. And they know that the only way to stop the Government from spending too much is to not give them too much money in the first place.

And I want to remind you that this is not our money. This money belongs to

the taxpayers that get up every day and work hard for a living.

So I have to ask how you can justify voting today to take more of that person's money to support your out-of-control spending habits—which will drive the debt out of control and leave our children with nothing? I can't imagine what reasonable thinking person would vote that way.

We need to remember what this vote is about. It is about the American people—it is their future that is on the line here. I challenge everyone in this body to make the most important vote in history—vote to balance the budget and restore security and prosperity to America—vote against this substitute and for the Republican balanced budget plan.

Mr. ORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. BREWSTER], a member of our task force.

(Mr. BREWSTER asked and was given permission to revise and extend his remarks.)

Mr. BREWSTER. Mr. Chairman, I rise in strong support of the coalition budget substitute.

The coalition budget is a responsible budget alternative that meets all the deficit reduction requirements for a balanced budget by 2002.

In order to balance the budget, we must all support some cuts in valuable programs. However, cutting programs and eliminating them are two totally different alternatives. The coalition budget is much kinder on many programs important to all Americans than the Republican bill.

We make no cuts in guaranteed student loans, while the Republicans cut student loans a drastic \$18.7 billion. The coalition budget cuts \$52 billion less in education, Head Start, rural health and economic development than the Republican bill. We cut agriculture \$10 billion less than the Republican budget.

We have \$109 billion less in Medicare cuts than the Republican budget. We have \$50 billion less in Medicaid cuts than the Republican bill. And, in addition to that, we save \$160 billion on the debt over the Republican substitute.

Mr. Chairman, this substitute reaches the same goal as the Republican budget—a balanced budget by 2002. And yet the coalition substitute provides more money for those in need.

Mr. Chairman, whether or not you support tax cuts is not the issue today. Many of us in the coalition support tax cuts, and our bill will provide for tax cuts after we are on a path to balance our budget.

I have long been an advocate for the capital gains tax. And, I strongly support the AMT tax relief which greatly helps our oil and gas industry. However, I firmly believe you ought to cut spending first before you give the money out for tax cuts.

The coalition budget substitute, however, treats tax cuts in a much more responsible manner. If deficit targets are met and we are on the glidepath to

a balanced budget, the coalition bill will allow tax cuts to be targeted to encourage savings and investments and stimulate jobs and growth.

Mr. Chairman, I urge my colleagues to support the coalition substitute.

Mr. KASICH. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Texas [Mr. DELAY], the Republican whip.

Mr. DELAY. Mr. Chairman, I want to add all my congratulations to the chairman of the Budget Committee and all his members and particularly the staff for an incredible piece of work and being part of history.

Mr. Chairman, a great scientist once said, "All truth, in the long run, is only commonsense clarified."

The Republican budget, in the long run, is common sense clarified.

Everyone who has spoken today knows the truth.

Our country faces a crisis. Our budget deficit threatens the security and stability of America's future. Our Medicare system nears bankruptcy. Interest payments eat up more and more of our discretionary spending. Entitlements, if unchecked, will break our financial backs.

And if we do not change fundamentally our Government, our Nation may not remain prosperous and free into the next century.

This substitute amendment does not fundamentally change government. This continues government, just at a little less cost.

The substitute amendment we have before us is a flawed choice, but at least it is an alternative.

I look to the leaders of the opposition, and wonder where they have been. I hear Mr. GEPHARDT may not vote for his own alternative. That is a shame.

President Clinton worked to defeat the balanced budget amendment while refusing to submit a fiscally responsible budget alternative. That is a shame.

It is a shame, because to get our country out of this crisis, to successfully change government to meet the needs of all the American people, we need their help.

This debate should not be about politics. It should not be about class war. It should be about Democrats and Republicans coming together to make commonsense changes to save America's future.

But Mr. Chairman, when it comes to the battle to balance the budget, Democrat leaders have been conscientious objectors, sitting out this fight instead of finding ways to stop crippling deficits and runaway spending.

Republicans and many responsible Democrats reject that passive policy.

Republicans offer a plan that faces this budget crisis head-on.

It will balance the budget by 2002.

It changes programs, agencies, and bureaucracies to not only save money, but to also make government more efficient and more effective.

Some of my Democrat friends have come to the floor with photographs of

people they say will be affected by our budget reforms.

I don't need photographs to remind me of the people who will be hurt by the inaction advocated by the Democrat leadership. I only need to look out into the gallery today, or walk down the street, or go home to my constituents.

Because if we refuse to act today to save our future, every single one of us will be adversely affected. Our seniors will be hurt by a bankrupt Medicare system. Our children will be hurt by impossibly high tax rates. And our grandchildren will be hurt by limited economic opportunity.

Inaction may be the choice of some of my colleagues. But that is not my choice.

Yes, we will provide tax relief to people who need it the most.

We have all heard the charges about our tax cuts. But who among us can say that families with children, taxed at rates approaching 50 percent, do not deserve a tax break?

Who can say that we should not have an adoption tax credit? Who will claim that our seniors deserve to be taxed at a rate twice that of millionaires if they choose to work? I dare my colleagues to make those claims.

Tax relief is not about giving people something they don't deserve. It is about letting our citizens keep more of their own money to spend as they see fit.

It is about freedom, not about giveaways. I hope someday, the Democrat leadership will finally get the message. But I'm not holding my breath.

Mr. Chairman, today we make a historic choice. We can take the path of least resistance. We can please the interest groups and the bureaucrats. We can continue to spend at the present destructive rate. We can protect the status quo.

Or we can take a courageous stand for America. We can make the Government work for people, while cutting out wasteful spending and cutting down painful taxes.

If we make the first choice, I fear that America will become fiscally frail, economically weak, a land of limited opportunity awash in a sea of tax troubles and Government waste.

But if we take the responsible course, I am confident that this great land of ours will awaken to limitless opportunity, abound in free market creativity, spurred on by low interest rates and low taxes.

And in the final analysis, when our budget is balanced, when our Government is stable, and when our people are free, we will see that this choice was in fact common sense clarified.

I urge my colleagues to vote against this flawed substitute and vote for the Kasich budget.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message from the President.